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**OSLO AND THE MIDDLE EAST PEACE PROCESS:  
THE NEGOTIATING DILEMMA**

by

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June 1998

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With the increased threat posed by terrorism and the growth of 'rogue states' the importance of achieving a lasting peace in the Middle East is greater than ever. However, the peace begun in Madrid in 1991 and marked by the historic 1993 Oslo Accord between Israel and the PLO has flourished.

This thesis provides a means for understanding the failure of the current peace process, by analyzing why Israel and the PLO agreed to the terms of Oslo. While Israel was motivated by the opportunity to solve its security and political dilemmas on acceptable terms, the PLO was motivated primarily by concerns of organizational survival.

The Oslo process departs from other successful settlements in two ways. First, Oslo focused on short-term arrangements, without consensus on the nature of the final outcome. An examination of successful settlements shows that the parties agreed to the outlines of a final settlement prior to commencing formal negotiations. Second, the vast imbalance of power between the two parties has made Oslo a 'hegemonic peace', which itself perpetuates instability in both the weaker and stronger states. Only parties enjoying a relative 'balance of power' have concluded successful peace settlements in the Middle East.

Given these structural anomalies, I conclude that the Oslo peace process will not achieve a lasting peace between Israel and the Palestinians.

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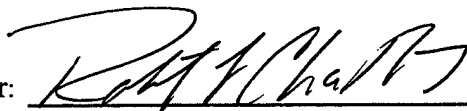
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## **ABSTRACT**

With the increased threat posed by terrorism and the growth of 'rogue states' the importance of achieving a lasting peace in the Middle East is greater than ever. However, the peace begun in Madrid in 1991 and marked by the historic 1993 Oslo Accord between Israel and the PLO has floundered.

This thesis provides a means for understanding the failure of the current peace process by analyzing why Israel and the PLO agreed to the terms of Oslo. While Israel was motivated by the opportunity to solve its security and political dilemmas on acceptable terms, the PLO was motivated primarily by concerns of organizational survival.

The Oslo process departs from other successful settlements in two ways. First, Oslo focused on short-term arrangements, without consensus on the nature of the final outcome. An examination of successful settlements shows that the parties agreed to the outlines of a final settlement prior to commencing formal negotiations. Second, the vast imbalance of power between the two parties has made Oslo a hegemonic peace, which itself perpetuates instability in both the weaker and stronger states. Only parties enjoying a relative balance of power have concluded successful peace settlements in the Middle East.

Given these structural anomalies, I conclude that the Oslo peace process will not achieve a lasting peace between Israel and the Palestinians.



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## EXECUTIVE SUMMARY

The current interregnum between the end of the Cold War and the onset of significantly enhanced destructive capabilities by terrorist groups and 'rogue states' provides the best - and perhaps the only - real opportunity to solve the Arab-Israeli conflict. However, the peace process begun in Madrid in 1991 and marked by the historic 1993 Oslo Accord between Israel and the PLO has floundered.

The purpose of this thesis is twofold: first, to examine the factors that brought the Palestine Liberation Organization (PLO) and Israel together at Oslo; and second, to evaluate the likelihood of achieving a lasting peace in the Middle East. To this end, I will show the conditions necessary for long-time regional adversaries to negotiate their differences and establish long-term cooperative agreements.

Specifically, I will examine the Oslo accords, which brought Israel and the PLO together in what many thought would be the possible solution for the fifty-year old dispute. The PLO was forced to the negotiating table by a debilitating financial situation that threatened its very institutional survival. In the aftermath of the Gulf War the financial situation of the PLO worsened and Oslo represented a means for political and financial redemption.

Israel, on the other hand, was seemingly drawn to the table for two very different reasons. First, Israel saw the Oslo Accords as means to have the PLO accept all their major terms without significant concessions. The timing of the Oslo Accords was perfect for Israel because it allowed it to negotiate with a greatly weakened opponent. This meant that Israel could, in essence, assume the role of the

"term giver," while the PLO was forced to remain the "term receiver."

Second, by securing a peaceful settlement with the PLO, Israel could ensure its economic livelihood was enhanced. Until this point, the greater Arab market place was closed due to the animosities associated with the Arab-Israeli conflict. Additionally, these animosities reduced investments from abroad due to the inherent instability of the region. In theory, once peace was achieved, the tensions would diminish and business groups in society would flourish under the new investments.

When compared to the Israeli-Egyptian and Israeli-Jordanian treaties, it is clear that Oslo lacked two fundamental characteristics necessary for success. First, there was no basic agreement between Israel and the PLO on what the negotiations would produce or where they were headed. Thus, the two sides tended to be negotiating toward two very different end products (an independent Palestinian state versus an entity with local autonomy under permanent Israeli suzerainty). Without such broad agreement on the end-game, later negotiations have routinely broken down. By comparison, in the Egyptian and Jordanian cases a fundamental agreement on the final deal was in place prior to negotiations and implementation.

Second, in both the Egyptian and Jordanian cases, the negotiating partners were considerably more equal in relative power to Israel. In other words, in both of these cases, each of the parties possessed something of interest to their opponent. Therefore, all the parties were able to fill the role of the term giver. By contrast, Oslo is an agreement between unequals. This imbalance of power

created a "hegemonic peace," further undermining the chances for stable peace.

For these reasons, it is unlikely the Israeli-PLO relationship will improve in the near future. This stagnation could even threaten the overall stability of the region, and result in catastrophic regional conflict.

## **I. INTRODUCTION**

The purpose of this thesis is twofold: first, to examine the factors that brought the Palestine Liberation Organization (PLO) and Israel together at Oslo; and second, to evaluate the likelihood that the Israelis and the Palestinians will achieve a lasting peace. To this end, I will show the conditions necessary for long-time regional adversaries to negotiate their differences and establish long-term cooperative agreements.

Specifically, I will examine the Oslo Accords, which brought Israel and the PLO together in what many thought would be the possible solution for the fifty-year old dispute. The thesis will address the question "Why Oslo?" and explore the following hypothesis: that the imperative of organizational survival compelled the PLO to accept the terms of Oslo.

More generally, this thesis will present the circumstances that foster successful negotiation and those that lead to failure. My hypothesis for this argument is as follows: circumstances of significantly unequal balance of power negotiations, which only concern interim measures and other short-term issues, are bound to fail.

### **A. PREFACE**

Chapter II examines the Oslo Accords and proposes that the PLO's debilitated economic situation forced it to the

negotiating table in order to ensure its institutional survival. Following the Gulf War the PLO found itself economically devastated and vulnerable, and Oslo represented a means for political redemption. This debilitating economic situation was a result of both the PLO's financial situation and, to a lesser degree, the economic situation within the West Bank and Gaza strip.

Israel, on the other hand, was seemingly drawn to the table for two very different reasons. First, Israel saw the Oslo Accords as a means to have all their major terms accepted without significant concessions. The timing of the Oslo Accords was perfect for Israel because it allowed it to negotiate with a greatly weakened opponent. This meant that Israel could assume the role of the "term giver," while the PLO was forced to remain the "term receiver."

Second, by securing a peaceful settlement with the PLO, Israel could ensure its economic livelihood was enhanced. Until this point, the Arab marketplace was closed to Israel due to the animosities associated with the Arab-Israeli conflict. Additionally, these animosities reduced investments from abroad due to the inherent instability of the region. In theory, once peace was achieved, the tensions would diminish and business groups in society would flourish under the new investments.

## **B. PROBLEMS IN METHODOLOGY**

Although this study (specifically chapter II) is based on as much empirical data as possible, the data used possess a general flaw. PLO budgetary data are not public and likely do not exist in a comprehensive form. Thus, I have had to rely on proxy indicators to demonstrate the genuine budgetary crisis the PLO faced after the Gulf War.

PLO bank accounts and other financial records before and after the periods of 1990 to 1993 would have proven more useful than the referenced proxy indicators. Had this information been available, or even existed, for that matter, the general argument within this work would undoubtedly have been more solid.

## **C. THE MODEL TREATIES**

Chapters III and IV will examine, through a case study approach, the events leading up to both the Israeli-Egyptian and Israeli-Jordanian peace treaties. Specifically, Chapter III, explores the events leading up to the Israeli-Egyptian treaty. Through examination of these events, the argument is made that all the major terms required to achieve peace were laid well in advance of the final status negotiation.

As will be discussed, Sadat was disheartened with procedural matters and wanted to get to the main event — a final settlement. To achieve this end, he initiated a series of private contacts with Israel, which culminated in

the meeting between negotiating partners in Morocco. There, the broad outlines of a final deal were struck (namely full peace in exchange for Israeli withdrawal from the Sinai) *before* Sadat went to Jerusalem in 1977. While there was still plenty to negotiate, the broad outline of the final agreement was established informally before any negotiations even took place.

Chapter IV continues the argument through a discussion of events leading up to the Israeli-Jordanian Treaty. Here again, we find that the terms of the agreement were essentially laid well in advance of the final status negotiations. Albeit true that there is a long history of Hashemite-Zionist relations (since the end of WWI), I will primarily focus on the secret relations between King Hussein and the Israeli leadership in the 1970's, 1980's and 1990's. The most important consequence of these relations was the London agreement of April 11, 1987, between Shimon Peres and King Hussein.

While Yitzhaq Shamir ultimately rejected the deal struck in London, it demonstrated a basic consensus between Labor and Hussein over what the terms of a peace agreement must entail. Therefore, the major terms required for achieving a final settlement were, for all practical purposes, made long before the negotiations of 1993. That is, the basic deal had long since been informally agreed to, but the parties needed to wait for a politically



acceptable time to formalize it, and Oslo provided that time.

Furthermore, both the aforementioned chapters will discuss the theory of balance of power peace versus hegemonic peace in order to further the understanding of particular political outcomes. This theory examines the relative power of two negotiating partners coming together in an effort to solve a particular conflict. If one partner is significantly more powerful than the other (i.e., Israel over the PLO in the Oslo case) then the nature of the peace will be hegemonic. One party will fill the role of the term giver, while the other is forced into the role of the term receiver. On the other hand, if the nature is such that both parties possess something significant to offer each other, then both parties fill the role of the term giver. Therefore, the nature of the peace is said to be balanced.

Additionally, the chapter will suggest that states that achieve hegemonic peace are assured of a more destabilizing outcome, whereas groups achieving a balance of power peace assure themselves of the opposite. That is, balance of power peace tends to produce more stabilized outcomes. Overall, this theory is significant because it suggests that a lasting peace is more easily achieved when two nearly equal powers negotiate a settlement and it centers on final status issues.

However, in Oslo, we noticed a more hegemonic peace occurring. In hegemonic peace agreements, the likelihood of achieving stability is very slim for both the weaker party and the hegemon.<sup>1</sup>

Chapter V explores the similarities and differences between both the Israeli-Egyptian and Israeli-Jordanian treaties and compares them to the Oslo case. This chapter argues that these treaties succeeded for two fundamental reasons. First, the major final status issues were discussed and bartered upon well in advance; and the more interim styles of negotiation were bypassed.

Second, in both the Egyptian and Jordanian cases, the negotiating partners were considerably more equal in relative power to Israel. Power, for the purpose of this research, does not refer only to military might or strength. Rather, it refers to the fact that, in both the Israeli-Egyptian and Israeli-Jordanian cases, each of the parties possessed something of considerable interest to their opponent. Therefore, all the parties were able to fill the role of the term giver.

By examining the aforementioned similarities, this study will contrast balance of power peace and hegemonic peace in order to explain differences in political outcomes. As previously noted, the balance of power peace

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<sup>1</sup> The idea for Balance of Power Peace verses Hegemonic Peace theory was given to me by Professor Glenn E. Robinson, Professor of National Security Affairs, Naval Postgraduate School, in a private conversation on February 26, 1998.

versus hegemonic peace theory conceptualizes two groups negotiating for a common goal, namely a lasting peace between their particular factions. If one party is considerably more powerful than the other the peace will be hegemonic in nature. However, if both parties possess relatively equal power, then a balance of power peace is more likely to develop.

#### **D. CONCLUSIONS**

Given the logic of the argument presented in this work, I will conclude by suggesting that current methods in achieving a lasting peace in the Middle East are inadequate. That is, real peace is for all practical purposes not currently possible. Only under conditions whereby the PLO could seek to *balance* Israel (via either the EU or US) would the benefits of a stable peace be had. Given current political realities, such balancing is not to be expected.



## II. WHY OSLO?

As previously mentioned, for many Oslo represented a possible solution to the Arab-Israeli conflict. The purpose of this chapter is to examine the rationales behind the Oslo Accords. That is, why did these meetings take place to begin with?

My argument is as follows: to ensure its own institutional survival, the PLO pursued its only viable choice - to take part in the Oslo Accords. To put it another way, the PLO made peace because it was financially distraught and thus feared for its very survival as an organization (organizations, as opposed to movements, need money to function properly). This debilitated economic situation was primarily the result of Arafat's decision to back Iraq during the Gulf War. *The decision to back Iraq cost the PLO over two-thirds of its budget.* This loss occurred at exactly the same time that the economy of the occupied territories (specifically the West Bank and Gaza region) needed the PLO's financial help the most (mainly because of the deteriorating economic situation there).

In making this argument, I will discuss both the general debilitated economic situation within the West Bank and Gaza region and then the more PLO specific economic indicators. As will be shown, the PLO faced severe economic problems, which could not be easily resolved without Oslo.

Israel, on the other hand, was seemingly drawn to the table for two very different reasons. First, Israel saw the Oslo Accords as a means to have all their major terms accepted without significant concessions. The timing of the Oslo Accords was perfect for Israel because it allowed it to negotiate with a greatly weakened opponent. This meant that Israel could, in essence, assume the role of the "term giver," while the PLO, as will be shown, was forced to remain the "term receiver."

Second, by securing a peaceful settlement with the PLO, Israel could ensure its economic livelihood was enhanced.<sup>2</sup> As previously stated, until this point, the Arab market was closed to Israel due to the animosities associated with the Arab-Israeli conflict. Additionally, these animosities reduced investments from abroad due to the inherent instability of the region.

#### **A. BACKGROUND TO ECONOMIC COLLAPSE**

On September 13, 1993, Yasser Arafat and Israeli Prime Minister Yitzhak Rabin shook hands on the White House lawn. For many, this historic event represented the possible conclusion to a fifty-year-old saga that has challenged both Middle Eastern and international players alike. However, as we now know, this handshake did not, in fact, represent the end of the saga; it merely represented yet

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<sup>2</sup> For a detailed discussion of this phenomenon see Shimon Peres, *The New Middle East* (New York, NY: Henry Holt Publishers, 1993), p. 63.

another facet of the conflict that continues to plague both parties. Disputes from both sides over security, land, water rights, and treaty violations, still rage throughout the area. These ongoing disputes demonstrate that, despite rhetoric to the contrary, the Arab-Israeli conflict and all its associated parts are very much alive and far from a conclusion.

## **B. REGIONAL ECONOMIC TURMOIL**

Within nine months of the historic handshake in Washington, Yasser Arafat returned to Palestine and, in a public announcement, criticized the recently concluded Oslo Accords. He stated that "Oslo is a bad agreement...but it's the best we can get in the worst situation."<sup>3</sup> Given this apparent shift in attitude, the question arises: What drove Yasser Arafat and the PLO to agree to the Oslo Accords in the first place? In order to answer this question, one must understand the economic situation of the PLO and the occupied territories, specifically the West Bank and Gaza region, prior to the Oslo Accords. Knowledge of the occupied territories' economy is only relevant for this discussion to the extent that it demonstrates that the coincidence of economic woes put more pressure on the PLO to deliver assistance at exactly the same time that it could not afford to do so.

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<sup>3</sup> Graham Usher, *Palestine in Crisis: The Struggle for Peace and Political Independence After Oslo* (London, UK: Pluto Press, 1995), p. 1.

Following the Oslo Accords, the World Bank conducted its six-volume study entitled, *Developing the Occupied Territories and Investment in Peace*, which was designed to evaluate the economic condition of the region. By the time this study was conducted, disorganization and economic chaos typically characterized the territories. As the World Bank report notes:

The economy of the Occupied Territories (OT) is currently in turmoil. Income levels have stagnated over the past decade; unemployment and underemployment are rising rapidly; public infrastructure and social services are grossly overstretched; and the fragile natural resources base is threatened with irreversible damage.<sup>4</sup>

Several factors contributed to the economic decline in the occupied territories and, in turn, challenged the PLO as it took over the Palestinian Authority.

According to the State Department, official estimates suggest that the Gross National Product (GNP) of the West Bank and Gaza region steadily declined between 1970 and 1980.<sup>5</sup> This decline was due in large part to the "dislocations of the Intifada, after 1987, and the loss of Gulf remittances."<sup>6</sup> Remittances, as will be discussed later, provided much of the daily-required revenue for

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<sup>4</sup> World Bank, *Developing the Occupied Territories: An Investment in Peace* (Washington, DC: World Bank Publishing Group, 1993), p. 1.

<sup>5</sup> US Department of State, *West Bank and Gaza Commercial Guide*, from the Office of the Coordinator for Business Affairs, 1996. [On-line]; available from <http://www.stae.gov>; Internet.

<sup>6</sup> Ibid.



families living in the West Bank and Gaza region.<sup>7</sup> Once these remittances were gone, so too was the economic livelihood of those within the region.

### **C. THE INTIFADA AND GULF WAR EXPERIENCE**

#### **1. The Intifada**

The Intifada was brought about as a result of the Israeli occupation and the unacceptable economic living conditions that the occupation produced. Israeli occupation, in the 1980's, set the economy into a downward spiral, which could not be easily corrected despite the efforts of both local and international institutions. Under the guise of furthering its security concerns in the region, the Israeli government instituted additional debilitating economic and military measures in the occupied territories. These measures, which often took the form of sanctions and curfews, adversely effected the economic livelihood of individuals living within the occupied territories.

As Sara Roy notes, the Palestinian economy during this period was primarily agricultural and, therefore, the goods and services produced were oriented more toward export rather than local consumption.<sup>8</sup> Therefore, sanctions and curfews would prevent the residents from getting their

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<sup>7</sup> Ibid.

<sup>8</sup> Sara Roy, *The Gaza Strip: The Political Economy of De-development* (Washington, DC: Institute for Palestine Studies Press, 1995), pp. 291-295.

produce to market. Estimates suggest that the annual per capita GNP within the occupied territories dropped 41 percent, from \$1,700 to \$1,000, once the Israeli sanctions were imposed.<sup>9</sup> The decline was due in large part to the fact that Palestinians simply could not export their goods.

Curfews, tax campaigns, special permits, licenses, and levies were additional measures which the Israeli government imposed on the Palestinian populous in order to: 1) stop the Intifada, and 2) make the occupied territories' economy solely dependent upon the Israeli government.<sup>10</sup> This dependence would also prevent the PLO from attaining true economic freedom within the occupied territories. Since economic freedom is crucial to a society that wishes to grow and become prosperous, it represents a crucial goal that most societies strive to obtain.<sup>11</sup> In the occupied territories, economic freedom would have allowed the economy to grow without interference from Israel.

The sanctions and curfews impacted the labor force of the West Bank and Gaza region as well. The number of Palestinian workers in Israel decreased from between 120,000-140,000 in 1987 to 56,000 by 1991. These declines translated into a loss of approximately \$300 million in personal earnings.<sup>12</sup> This loss in income proved extremely

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<sup>9</sup> Ibid.

<sup>10</sup> Ibid., pp. 296-301.

<sup>11</sup> James Eggert, *Invitation to Economics*, 2nd ed. (Mountain View, CA: Mayfield Books, 1991), p. 14.

<sup>12</sup> These estimates are cited by Glenn E. Robinson, "Oslo: Three Years On," *Survival: The IISS Quarterly*, Vol. 38, No. 4 (Winter 1996/97), pp. 161-162.

devastating to the economy of the occupied territories.<sup>13</sup>

Sara Roy, in her study of economic "de-development" within the occupied territories, concludes the following regarding the Intifada's overall effect:

The Intifada seriously undermined Gaza's economy. Israeli-imposed measures were designed to further constrain indigenous capacity by depleting financial resources, reducing income-earning options, attacking existing institutions, and destroying economic and physical infrastructure. Measures imposed by the Palestinian leadership aimed to wean Gaza of its dependence on Israel; in reality, they only further impoverished the local economy, because no viable income-earning alternatives were made available.<sup>14</sup>

Along with the Intifada came accusations of human rights violations. These violations, in the eyes of the international community, more specifically the US, transformed the residents of the West Bank and Gaza to the status of "the oppressed peoples."<sup>15</sup> This apparent change in perception meant the PLO no longer held the position of the aggressor party; a perception that evoked sympathy for the Palestinian populous from the international community. This feeling also spilled over to the PLO, which now assumed the role of the oppressed leadership. As a result of this attitudinal shift, the international community

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<sup>13</sup> Roy, pp. 296-301.

<sup>14</sup> Ibid., pp. 303-309.

<sup>15</sup> Ibid.

increased both economic and political assistance, to the suffering of the West Bank and Gaza region.

At the same time, Israel proved not so lucky and was now perceived as the aggressor nation.<sup>16</sup> This shift in attitude caused the Israeli government to find itself under constant scrutiny by the international community and under constant pressure to resolve the disputes once and for all without delay.

Israel's Arab neighbors and many other international supporters also increased direct aid to the Palestinian leadership and their institutions within the occupied territories. Aid in the form of foodstuffs, medicine, and, more importantly, revenue further stimulated the Palestinian economy.<sup>17</sup> However, Arafat and the PLO failed to capitalize on the negative attention given to Israel during this period. As a result, when the Gulf War erupted, attitudes toward Israel would once again change. This time Israel took the perceived role of the underdog and left the PLO in the role of the aggressor party.

## **2. The Gulf War**

As a result of the aforementioned attitudinal shift(s), the PLO found itself in an unusual position, made even more difficult when the Gulf War hostilities

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<sup>16</sup> Again, this shift in perception was considerably stronger in the US.

<sup>17</sup> Samih K. Farsoun and Christina E. Zacharia, *Palestine and the Palestinians* (Boulder, CO: Westview Press, 1997), pp. 241-242.

commenced. The Gulf War, coupled with economic instability left over from the Intifada, caused even more debilitation to both the PLO and the occupied territories. This debilitation compounded until the PLO was forced to act lest it cease to exist as an institution.

As far as the occupied territories go, until the war erupted, the majority of income for the occupied territories came from remittances brought home from Palestinian workers in Israel. These remittances totaled between \$400-\$450 million annually.<sup>18</sup> Additionally, these remittances represented stability and relief for those families still coping with the dramatic effects of the Intifada, or with life in general. Although they did not make families totally self-sufficient and financially secure, they did provide comfort during troubling times.

At best, this revenue was enough to make life within the occupied territories somewhat tolerable. However, because Yasser Arafat sided with Iraq in its invasion of Kuwait, "remittances and direct aid ceased and employment slowed to a trickle."<sup>19</sup>

On January 16, 1991, Israel imposed yet another prolonged curfew on the West Bank and Gaza region characteristic of those seen during the Intifada.

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<sup>18</sup> David Hoffman and Nora Boustany, "Palestinians in Occupied Territories Face Financial Crisis," *Washington Post*, 13 May 1993, col. 2, pp. A 18, A22. The authors suggest the remittances sent home totaled \$450 million. Also see Janet and John Wallach, *Arafat: In the Eyes of the Beholder* (Secaucus, NJ: Birch Lane Press, 1997), pp. 431-433. The authors estimate that remittances totaled \$400 million.

<sup>19</sup> Roy, p. 309.

Economically, this curfew affected labor, agriculture, and many other facets of Palestinian life. It is suggested that the curfew cost the Palestinian society approximately \$84 million in revenue.<sup>20</sup> With regard to labor, the newly imposed curfew(s) caused the number of workers employed in Israel to drop even further, from 56,000 to approximately 28,000 workers.

Also affected by the curfews, the agricultural base lost some 30 to 60 percent of its total exports. As a result of this drastic loss in commercial revenue, the United Nations Relief and Works Agency (UNRWA) and other municipal organizations were forced to draw even more upon their own resources to keep various social service institutions alive and running.<sup>21</sup>

As was the case during the Intifada, closures and curfews became a thorn in the side of most Palestinians. The next Israeli closure(s) lasted for five weeks (May to July 1992) and cost the Palestinian population an estimated \$500,000 per day.<sup>22</sup> Closures and their effect on the Palestinian economy caused the area to become extremely weak and made it incapable of withstanding any outside pressures.<sup>23</sup>

Israeli sanctions and curfews were but one problem which both the PLO and the occupied territories were forced

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<sup>20</sup> Ibid., pp. 309-310.

<sup>21</sup> Ibid., p. 310.

<sup>22</sup> Ibid., pp. 310-311.

<sup>23</sup> Ibid., p. 316.

to contend with. Following the collapse of the Soviet Union, over 600,000 Jewish immigrants found their way to Israel after 1989. This large influx of mouths to feed enhanced problems within the occupied territories and greatly contributed to the economic instability of the entire region.<sup>24</sup> In addition to the Soviet Jewish immigrants, Saudi Arabia and Kuwait expelled between 300,000 to 400,000 Palestinians living within their territories, as a punishment for Arafat's support of Iraq during the war.<sup>25</sup>

As previously discussed, the Intifada and the Gulf War dramatically affected Palestinian and, more specifically, the PLO's economic freedom and stability. Assuming that Gross Domestic Product (GDP) and Gross National Product (GNP) are in fact indicators of the wealth of a nation/state, one can see from the data in Table 1 that, from 1992 through 1993, both of these numbers declined.

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<sup>24</sup> Usher, pp. 1-2.

<sup>25</sup> Ibid. Also see Wallach, pp. 431-433.

**Table 1. Real National Income and Per Capita Income  
Estimates For the West Bank and Gaza Strip 1988-1992  
(Average) and 1992-1994**

Year	Per Capita GDP	Percent decline in per capita GDP from 1988	Per Capita GNP	Percent decline in per capita GNP from 1988
<b>1988</b>	2,151	—	2,890	—
<b>1992</b>	2,000	7.00	2,684	7.00
<b>1993</b>	1,619	24.00	1,972	31.00
<b>1994</b>	1,680	21.00	1,891	34.00

Source: United Nations Special Coordinators Office (UNSCO), Quarterly Report, April 1997. [On-line]; available from <http://www.arts.mcgill.ca.html>; Internet. Table slightly modified by author. Percentage declines in both Per Capita GDP and GNP computed by author.

The increase in the refugee population following the Soviet Union's collapse and various Gulf War expulsions, coupled with drastic losses in revenue, caused the GNP, GDP and overall per capita income levels to drop. With the loss of revenue, the Palestinian trade situation worsened.

Discussions prior to this point demonstrate how Arafat's support of Iraq proved disastrous for the Palestinians. This discussion is relevant only to the extent that it demonstrates that this debilitation of the occupied territories economy occurred at nearly the same instance the PLO found itself lacking in financial resources. That is, the PLO could not be relied upon to provide the much needed financial assistance because, as will be discussed in further detail, it became economically challenged at exactly the same time that the West Bank and Gaza region needed the PLO's financial help the most.



Following the Gulf War over 300,000 Palestinians were expelled from the various Gulf States (especially, Kuwait and Saudi Arabia). For several years prior to this expulsion, the PLO received at least two-thirds of their budget from taxes imposed on these workers by the host nation.<sup>26</sup> An estimated \$133 million in direct revenue were lost when these expulsions occurred.

Despite this loss, the PLO still managed to send approximately \$30 million per month to the occupied territories. However, by the time the Oslo Accords were negotiated, this amount had dropped to approximately \$7 million.<sup>27</sup>

The PLO managed to funnel a portion of these remittances into the martyrs' fund. This particular fund was established to commemorate those who lost their lives during the Intifada and was designed to support those families who, in some cases, lost their sole source of income. Estimates suggest that this fund, alone, directly affected over 90,000 families.<sup>28</sup> However, after the Gulf War, this fund went bankrupt. Therefore, a major source of PLO patronage was lost.

Arafat's support of Iraq also produced other effects. Even the PLO's real estate ventures were threatened. As

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<sup>26</sup> Wallach, p. 432.

<sup>27</sup> Mary C. Cook, "Arafat-Rabin Agreement Comes at Depths of PLO Financial Crisis," *The Washington Report on Middle East Affairs*, (November/December 1993), p. 48. Cook is a former reporter for Al-Fajr, and when the referenced article was written, she was working as a free-lance writer living in the West Bank.

<sup>28</sup> Hoffman and Boustany, p. A 18.

Cook notes, "The PLO had begun to sell \$125 million in prime real estate in Europe, Asia and Africa to cover unpaid salaries, pensions and welfare benefits."<sup>29</sup> If there were no financial crisis for the PLO, then they would not have been forced to sell this property.

Another impact of Arafat's decision was in regard to direct aid. Until this point, aid from the Gulf States and other agencies to local institutions and municipalities amounted to an estimated \$70-\$120 million annually.<sup>30</sup> After the Gulf War, the Gulf States sought their retribution through recalling loans previously awarded to the PLO. As a result of non-payment, the Kuwaiti bank seized all the PLO deposits in order to cover the massive debt.<sup>31</sup>

Until this point, portions of the funds received by the PLO found their way back into the occupied territories. These funds allowed schools, political representation offices (embassies/consulates), hospitals and clinics, newspapers and other institutions to remain open. And, as we shall see, once the funds were gone, so were the organizations/institutions they supported.<sup>32</sup> For example, both the *Al-Fajr* and *As-Sha'ab* newspapers were forced to close their doors after losing their funding from their benefactor, the PLO.

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<sup>29</sup> Cook, p. 48. Cook notes that information regarding the \$125 million land sale was provided to her by Abbas Zaki, a member of Fatah's Central Committee.

<sup>30</sup> Roy, p. 311. Also see Usher, pp. 1-2. Usher estimates that annual donations equaled \$120 million.

<sup>31</sup> Usher, pp. 1-2.

<sup>32</sup> Wallach, p. 433.

The closures of these institutions came at a time when workers simply could not afford to lose any more of their economic livelihood. These were but two of the newspapers and "press agencies" which lost PLO backing. In addition, to news agencies, various academic research centers felt the strain of dwindling finances. The funds required to keep these institutions open, more often than not, were received from the Palestinian Information Department. Estimates suggest that the "previous annual budget for the information department had been cut from \$12 million to \$2 million annually."<sup>33</sup>

As previously mentioned the loss of revenue forced the PLO to close or downsize some of its political representation offices (embassies or consulates) in order to cope with the debilitating loss of revenue. According to a source within the PLO, between 1990 and 1993, as many as eight of these offices were completely closed, while others were required to downsize their workforce in order to save money. Reportedly, the employees of these offices were, for the most part, reassigned to other posts within the PLO's infrastructure.<sup>34</sup>

Additionally, the Palestinian educational system suffered a tremendous setback as result of the loss in revenue. The Palestinian Council of Higher Education once supported many educational facilities. The council itself

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<sup>33</sup> Cook, p. 48.

<sup>34</sup> Khalil Foutah, Deputy PLO Representative in the PLO's Washington D.C. office, in a phone interview by author, 4 February 1998.

received the majority of its funding directly from the PLO. However, when the money was cut, many educational institutions, such as Birzeit University, were forced to raise tuition<sup>35</sup>, while others were forced to shut down (see table 2).<sup>36</sup> Many other area-sponsored schools (government, UNRWA, and private) were unable to keep their institutions open; nor could they possibly hope to gather the requisite funds to maintain them. For example, Cook notes that, many instructors at PLO-sponsored schools experienced losses in salary and that between 1991-1993, they received only five percent of their salaries. As a result of these problems, many schools were simply closed.<sup>37</sup>

**Table 2. Number of Schools and Sponsors in the West Bank and Gaza, 1990-1994**

<b>Years</b>	<b>Government</b>	<b>UNRWA</b>	<b>Private</b>
<b>1990-1991</b>	153	170	9
<b>1991-1992</b>	151	172	10
<b>1992-1993</b>	153	176	9
<b>1993-1994</b>	140	154	6

Source: Palestinian Central Bureau of Statistics, 1995. "Education Statistics in the West Bank and Gaza Strip." Current Status Report Series, Number 5. Ramallah-West Bank. Figures provided by Yousef Falah, Director of Education and Culture Statistics.

Previous sections of this chapter have discussed several proxy indicators designed to shed light on the economic situation that the PLO as well as the West Bank

<sup>35</sup> Hoffman and Boustany, p. A 18. The authors note that in an attempt to cover the loss of revenue experienced as a result of the Gulf War, Birzeit University raised tuition, which was once free, to \$500 per year.

<sup>36</sup> Cook, p. 48.

<sup>37</sup> Ibid.

and Gaza regions found themselves dealing with prior to Oslo. The coincidence of economic woes experienced in the occupied territories put more pressure on the PLO to solve the problems at exactly the same time that it could not afford to do so.

Regardless of precise amounts or totals, the aforementioned discussion clearly demonstrates that the PLO were almost, if not already, bankrupt, prior to the Oslo Accords.<sup>38</sup> The debilitated economic situation in the West Bank and Gaza region, with little prospect for improvement, offered no support for the PLO and merely exacerbated their already wearied economic situation. Given this, it is clear why the PLO accepted the terms of Oslo. They were bankrupt.

#### **D. THE ISRAELI PERSPECTIVE**

As discussed in Chapter I, there are several possible explanations as to why Israel would agree to the Oslo Accords. First, Israel believed by opening markets, the Israeli economy could in fact be strengthened. Until this point, the Arab market place was closed due to the animosities associated with the Arab-Israeli conflict. As a result, the Israeli government came under considerable

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<sup>38</sup> Roy, p. 311. Also see Glenn E. Robinson, *Building a Palestinian State: The Incomplete Revolution* (Bloomington, IN: Indiana University Press, 1997), pp. 175-177. Robinson notes that, despite efforts from the PLO to remain economically viable, the PLO was nearly bankrupt by the end of 1992.

pressure from their business elite.<sup>39</sup> In part this pressure was a byproduct of the previously discussed sanctions and curfews as well as the Arab boycott of those companies wishing to conduct business within Israel.

The sanctions and curfews, which Israel imposed on the Palestinian populous, prevented the exportation of goods from within the West Bank and Gaza region to Israel. This essentially forced the Palestinian society to become independent and "thus less dependent on Israel" for their exported materials. The boycott of Israel was actually started in the 1940's and, until Oslo, compounded annually in its intensity. Estimates concerning these two events note that the Arab boycott cost Israel "\$20 billion in potential exports and \$16-32 billion in lost investments."<sup>40</sup> If a peaceful solution could be reached, presumably, the closed markets would open and the Israeli business sector would flourish.

Second, Israel saw the accords as a means by which its terms could be accepted without vast concessions on their part. Commenting on this issue, Peres notes the following:  
In Oslo, Israel achieved more than just words.  
We got concessions without which we would never  
have been able to sign an agreement. These  
include responsibility for security against

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<sup>39</sup> Yoav Peled and Gershon Shafir, *The Roots of Peacemaking: The Dynamics of Citizenship in Israel, 1949-1993* (Cambridge, MA: Cambridge University Press, 1996), p.391.

<sup>40</sup> Ilan Peleg, *The Middle East Peace Process: Interdisciplinary Perspectives* (Albany, NY: State University of New York Press, 1998), pp. 225-226. Also see David Makovsky, *Making Peace with the PLO: The Rabin Government's Road to the Oslo Accord* (Boulder, CO: Westview Press, 1993), p. 90.

threats from outside borders and responsibility for the security of every Israeli in the territories. Jerusalem remains outside the autonomy accord, although its Palestinian residents will be able to participate in elections for autonomy. The settlements stay where they are, and settlement security stays in the capable hands of the IDF.<sup>41</sup>

As previously demonstrated, the PLO was greatly weakened. Therefore, now was the most opportune time to secure a position that would allow Israel to take advantage of the weakened opposition.<sup>42</sup> This weakened opposition would be in no position to bargain, and this gave Israel relatively free reign in the negotiating process. That is, Israel would be the term giver, and the PLO, due to their economic situation, would be forced to be the term receiver.

#### **E. CONCLUSION**

Regardless of the security concerns that may have existed both in the Israeli and PLO camps prior to the Oslo Accords, there is no evidence to suggest that these concerns forced the two parties together at Oslo. In the PLO's case, even if it wanted to advance its otherwise insecure situation, the evidence presented in this chapter demonstrates that their coffers were near, if not already, empty. When one examines the economic situation in the occupied territories after the Intifada and the Gulf War,

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<sup>41</sup> Peres, p. 28.

<sup>42</sup> Makovsky., pp. 108-109.

it is clear that the capital required to achieve a margin of stability was not available. This capital could have presumably helped the PLO in their own situation had it been available and conceivably allowed them another alternative to pursue.

During the Gulf War, the PLO sided with the Iraqi forces; despite the fact that Iraq's forces were clearly inferior to the force structure and capability of the US led coalition. Some arguments suggest that the PLO did so because it perceived the Western-led coalition as an aggressor. There is strong evidence to suggest that the PLO was not content with the status quo and saw in Iraq a means to change its current situation.<sup>43</sup> Whatever the cause, the end result was the same. The Gulf War affected the PLO and the occupied territories in catastrophic ways.

Additionally, when one examines the negotiations leading up to the accords, it is clear that they were lacking qualitative substance. This lack can become more pronounced, when compared to the Israeli-Egyptian and Israeli-Jordanian treaties. In both of these cases (as will be argued latter) the basic terms for peace were agreed to well in advance of the actual negotiations. At Oslo, this was not the case. The terms of the agreement were not worked out in advance of the final talks.

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<sup>43</sup> Muhammad Hallaj, " Taking Sides: Palestinians and the Gulf Crisis," *Journal of Palestine Studies*, Vol. 20, No. 3 (Spring 1991), pp. 41-47.



In sum, the PLO, faced with economic collapse and possible demise, was forced to the negotiating table at Oslo in order to ensure its own institutional survival. The Israelis, on the other hand, saw this as an opportunity to further their geostrategic standing. Furthermore, they saw in the economically distraught PLO a negotiating partner who was willing to make major concessions. Thus, the Israeli government became the term givers, while the PLO, though not by choice, became the term receivers.



### III. THE EGYPTIAN CASE

#### A. INTRODUCTION

The Oslo Accords have not lived up to their promise. They seemingly have failed to produce their professed results, a means to secure a lasting peace. Given this analysis the question now is: When do negotiations come to successful fruition and when do they fail? In the following chapters, I examine some of the circumstances under which successful Middle East agreements and treaties have occurred, and those under which they have failed. I argue that, in cases of short-term (interim) negotiations among unequal powers, it is nearly impossible to conclude a lasting peace.

In making such an argument, I refer to William Quandt's work entitled, *Peace Process: American Diplomacy and the Arab-Israeli Conflict*.<sup>44</sup> Quandt's work provides the required detail of events leading up to the agreements and treaties discussed. When examined, these details allow the argument to be made that in both the Israeli-Egyptian and Israeli-Jordanian cases, the terms required for peace were essentially laid out in advance of the final status negotiations, a fact that did not occur in the Oslo process.

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<sup>44</sup> William B. Quandt, *Peace Process: American Diplomacy and the Arab-Israeli Conflict* (Washington, DC: The Brookings Institution, 1993), I have used this work because it outlines in detail the events leading up to the various agreements and treaties examined.

Additionally, I will briefly discuss the theory of balance of power peace versus hegemonic peace. This theory envisions two negotiating partners coming together to achieve resolution for their particular differences. However, if the nature of the peace is hegemonic then one of the negotiating partners is significantly more powerful than the other. Power, in this case does not necessarily refer just to military might. Simply put, it refers to the ability of one party to become the term giver, while the other assumes the position of the term receiver. The nature of this kind of peace is seemingly more destabilizing, for both parties, and tends to result in both parties eventually becoming the "losers."

On the other hand, balance of power peace suggests a peace, which occurs between two relatively equal powers. This kind of peace is seemingly more stable, and both parties, as a result, can expect to become "winners."

Two separate agreements will be used to substantiate this argument: first, the Camp David Accords and the Israeli-Egyptian peace treaty, which followed, as an example of a balance of power peace; and second, the Israeli-Jordanian peace treaty, yet another example of a balance of power peace.<sup>45</sup>

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<sup>45</sup> The Israeli-Jordanian Treaty was more toward the hegemonic end of the spectrum between balance of power peace and hegemonic peace than was the Israeli-Egyptian Treaty. However, for the purpose of my research it falls closer to a balance of power peace, therefore is included as an example of balance of power peace.

I will conclude these chapters by suggesting that some agreements in the Middle East have seemingly only been successful when they possess the following: first, the negotiations prior to the agreement are focussed toward final status negotiations, and interim based resolution methods are bypassed. By proceeding in this manner, the issues are laid out in their entirety well in advance of the final status negotiations and are open for debate.

Second, both parties need to fill the role of what I have called term givers. That is, each party involved offers something, which the other party deems desirable. In theory, if both negotiating partners are term givers, then concessions can easily be made on potential showstoppers. Therefore, the nature of the peace is more balanced.

## **B. THE VOLATILE ROAD TO PEACE**

In the Egyptian case, I argue that the major terms necessary to achieve a lasting peace were agreed to well in advance of the final status negotiations. The negotiations prior to Sadat's visit to Jerusalem in 1977 were the means by which the major issues were addressed and bartered upon.

These negotiations eventually culminated into two separate disengagement agreements between the Israeli and Egyptian governments. I will refer the reader to Quandt's work to gather additional details not discussed in this work.

When examined, it will become clear that years passed before any agreement could be reached, despite the efforts of the various players concerned. It will suffice to simply say that the Sinai I and II negotiations showed a pattern of necessity for up-front agreements. That is, the years of debates surrounding the Sinai talks culminated in agreements, because the issues were addressed well in advance of the final status negotiation. In addition, these agreements paved the way for future negotiations to take place.

Following the Israeli-Egyptian disengagement agreements, additional emphasis was placed on securing a lasting settlement to the Arab-Israeli conflict. However, with the Israeli elections of 1974, new issues, previously not discussed, were brought to the table. This was due to the fact that new government under Rabin opposed many of the previous regimes' decisions. As a result of this opposition, the peace process became incapacitated.<sup>46</sup>

Kissinger believed that despite Rabin's stubborn character, he could still be convinced that peace was the only plausible solution to the problems in the region. Additionally, Kissinger set out to convince Rabin that to achieve peace, concessions were required on both sides. With this notion in mind Kissinger departed for the Middle East to facilitate a second agreement.<sup>47</sup>

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<sup>46</sup> Quandt, pp. 188-189.

<sup>47</sup> Ibid., p. 229.

Kissinger's diplomatic acumen initially did not produce the professed result, a second agreement between Israeli and Egyptian constituencies. In fact, talks between the two parties were postponed.

Believing that the postponement could have been the result of US involvement, Kissinger decided to reevaluate the US policies in the region.<sup>48</sup> After several weeks of discussion regarding various alternatives, both Ford and Kissinger agreed that the only viable option was to continue "step-by-step" diplomacy.<sup>49</sup>

Again, the Sinai discussions demonstrated, to all the parties involved the necessity of up-front negotiations. In both Sinai agreements, the terms required were in fact discussed and bartered upon well in advance of final status negotiations.

### **C. MOVING FORWARD**

President Carter became a formidable agent in the Middle East peace process. Due to his strong convictions toward the peace process, he devoted many hours to facilitate an end to the long-standing dispute. He often delegated other matters of foreign affairs to his staff, namely Secretary Cyrus Vance and National Security Advisor Zbigniew Brzezinski, so that he could concentrate on the development of a lasting peace for the Middle East that

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<sup>48</sup> Ibid., p. 238.

<sup>49</sup> Ibid.

would be consistent with UN Security Council resolution 242.<sup>50</sup>

Soon after the new administration came into office, Vance departed for the Middle East to further his understanding of the issues. After several weeks of discussion with the regional leaders, Vance returned to the US with a detailed assessment of the current situation. His report conveyed the belief that all the parties genuinely desired peace and would agree to a Geneva style protocol if the terms of future agreements were addressed in advance of the main conference.<sup>51</sup> The parties preferred discussions of substance relating to final status in advance of the final negotiations. Additionally, "all concurred that the three main issues on the agenda were the nature of peace, withdrawal, and the Palestinian question."<sup>52</sup>

After the Israeli election of 1977, both Vance and Carter presented Begin with a five-point proposal. The proposal itself addressed issues, which had been discussed by the other parties concerned and, until the Israeli elections, were seemingly without question. As one author notes:

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<sup>50</sup> George Lenczowski, *American Presidents in the Middle East* (Durham, NC: Duke University Press), pp. 159-169.

<sup>51</sup> Quandt, p. 258.

<sup>52</sup> Ibid.



...The first point set the goal of comprehensive peace; the second reiterated the relevance of UN Resolution 242 and 338 as the bases of negotiations; the third defined the goal of peace as involving normal relations, not just an end of belligerency; the fourth dealt with the question of borders and withdrawal in stages; and the fifth point concerned the Palestinians and their rights, including means to permit self-determination by the Palestinians.<sup>53</sup>

Initially, Begin opposed at least two of these points and preferred that the US refrain from any statement, which would suggest Israeli withdrawal.<sup>54</sup>

As a result of Begin's response to the Carter-Vance five-point proposal, Vance set out to readdress the seemingly more pressing issue - the Palestinian question. Prior to the elections, Israel had agreed to accept a Palestinian delegation, but only if it was joined with another Arab delegation.<sup>55</sup>

In August 1977, Vance departed for the Middle East with a revised draft of the previously discussed five-point proposal. Anticipating problems with regard to the Palestinian question Vance, prepared several plausible solutions for this potential sticking point.<sup>56</sup>

While in Egypt, Vance noted that Sadat seemed troubled by the revised US proposals, which focused on "procedural matters." For Sadat, peace interests were better served if

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<sup>53</sup> Ibid., p. 262.

<sup>54</sup> Ibid., p. 263.

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

"prior agreement on principles" were made in advance of the final negotiations at Geneva.<sup>57</sup> That is, Sadat believed that the "big picture" issues should be discussed and agreed to in advance. Based on this notion, Sadat drafted his own proposal for Vance to convey to the other parties.

For Sadat, the issues outstanding were caught up in the formalities associated with typical US sponsored negotiations. That is, major issues were often set aside for discussions concerning formatting of texts and other such insignificant details. These trivial discussions would, more often than not, cloud "matters of substance -- the core of the entire question."<sup>58</sup>

While Vance continued his "step-by-step" approach, Sadat, in order to expedite a solution to the conflict, initiated secret level negotiations with his neighbors. These discussions were, for the most part, designed to address the major issues well in advance of the upcoming Geneva conference.

Once the other Arab leaders reviewed Sadat's plan, they in turn drafted their own proposals to supplement the Egyptian proposal. Here again, we see the terms necessary for concluding a lasting peace are being addressed in advance of the final negotiations. Equally important in this process is the fact that in the cases examined thus far, each party possessed something the other desired.

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<sup>57</sup> Ibid., pp. 263-264.

<sup>58</sup> Anwar el-Sadat, *In Search of Identity: An Autobiography* (New York, NY: Harper and Row, 1977), p. 302.

Therefore, in essence each assumed the position of the term giver.

Meanwhile, after his trip to the Middle East, both Carter and Vance worked on a US peace proposal.<sup>59</sup> This proposal was modeled after the proposals Vance received from the Middle East leaders during his previous travels. The intent of this proposal was to bring the parties together at Geneva, under "a unified Arab delegation."<sup>60</sup> Presumably, this proposal would also enable the Palestinian delegation to attend. Then, after the parties arrived in Geneva, each party would be given the opportunity to split into smaller "subcommittees" and discuss their particular issues.<sup>61</sup>

Needless to say, the draft required work. All the parties took issue with either one or more of the points outlined in the draft. Alfred L. Atherton, Jr. would be assigned the task of formulating an acceptable text. As part of his assignment, Atherton consulted with representatives from the Soviet Union, who also possessed a vested interest in the Middle East peace negotiations.<sup>62</sup>

However, despite the efforts by the parties concerned, the gap between the various parties' proposals was too great. As a result, the peace process stalled.

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<sup>59</sup> Quandt, p. 265.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid., p. 266.

#### D. SECRET TALKS AND BEYOND

After additional discussions between the parties regarding the current proposals, Sadat initiated secret high-level talks between Egyptian and Israeli officials in Morocco, starting in September 1977.<sup>63</sup> The purpose of these meetings was to discuss the terms necessary for peace before the Geneva peace conference reconvened.

By proceeding in this manner, Sadat hoped to achieve agreements based on substance prior to the Geneva talks. Israel agreed to such a format, because in essence this represented a means by which they could achieve a separate agreement, with Egypt, without significant concession. While there are no minutes of these secret meetings, there is reason to believe (because of the events which occurred before and after) that this is the point where the real breakthrough in peace negotiations occurred. As Rabin notes in his memoirs:

Sadat exploited lines of communication that had been opened between Israel and Egypt before 1977, for a while I was still Prime Minister, Morocco had tried to serve as a mediator between the governments of Israel, Egypt and Syria. The Egyptians were well aware of establishing contact with Israel through Morocco-without the United States being involved or, indeed even knowing-was readily available to them.<sup>64</sup>

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<sup>63</sup> Ian Bickerton and Carla L. Klausner, *A Concise History of the Arab-Israeli Conflict*, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 1998), pp. 197-198.

<sup>64</sup> Yitzhak Rabin, *The Rabin Memoirs* (Los Angeles, CA: University of California Press, 1996), pp. 320-321. For additional discussion see Ismail Fahmy, *Negotiating for Peace in the Middle East* (Baltimore, MD: John Hopkins University Press, 1983), pp. 233-250.

In November 1977, Sadat traveled to Jerusalem to formally address the Knesset. This event was crucial to furthering the overall process because it allowed many members of the government to meet the opposition for the first time and hear their side of the story. Aside from the meetings held by the leaders, "Egypt and Israel...formed two committees - one political and one military - to discuss the terms of the peace treaty."<sup>65</sup>

Although these meetings did not produce a lasting settlement, they were extremely successful. By moving toward a lasting peace in this fashion, the parties were, in essence, bypassing interim settlements and plowing through to final status issues.<sup>66</sup>

Eventually, Carter convinced Sadat and Begin to meet him for negotiations at Camp David. During the Camp David meeting, which lasted from September 5 to September 17, 1978, a framework was laid for peace in the Middle East. The solutions produced at this meeting called for a peaceful settlement between Israel and its neighbors. The agreement would follow the outline of UN Security Council Resolutions 242 and 338 in all their respective parts.<sup>67</sup>

Additionally, Israel would be required to completely withdraw from the Sinai region and the military arrangements to allow for proper security of the region

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<sup>65</sup> Bickerton and Klausner, p. 198.

<sup>66</sup> Ibid.

<sup>67</sup> Israeli Ministry of Foreign Affairs, *The Mideast Peace Process: Camp David Accords*; [On-line] available from <http://www.israel-mfa.gov..> Internet. Also see Bickerton and Klausner, pp. 197-202.

would be decided between the two parties. The accords also called for the following: 1) recognition, by all members present, of each other's sovereignty and territorial integrity; 2) Israel's withdrawal from the West Bank within five years and the cessation of all building expansion in the occupied territories; and 3) the promise that political independence would be assured for all parties concerned.<sup>68</sup>

Unfortunately, Carter's victory proved to be extremely short lived. Following the conference, Begin stated in several public broadcasts that Israel still maintained the right to remain in the West Bank for an indefinite period of time, and that the building projects in the occupied territories would be allowed to continue.<sup>69</sup> Begin's statements brought considerable pressure on Egypt.

The Arab League's reaction to the Camp David Accords was extremely negative and somewhat unexpected. What the League perceived as their surrender presumably would allow the Israeli nation even more room to become stronger. As a result of this discontent, Egypt was expelled from the League.<sup>70</sup>

Despite the fact that the Camp David Accords left the issues of the West Bank, Gaza, and the Golan Heights unresolved, they eventually led to a lasting peace between Egypt and Israel. The final treaty between Egypt and

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<sup>68</sup> Bickerton and Klausner, pp. 198-199.

<sup>69</sup> Lenczowski, pp. 170-179.

<sup>70</sup> Cheryl A. Rubenberg, *Israel and the American National Interest*, (Urbana, IL: University of Illinois Press, 1986), pp. 235-237.

Israel was signed on March 26, 1979, in a much-publicized ceremony on the White House Lawn.<sup>71</sup>

## **E. CONCLUSION**

When compared to the Oslo case, it is clear that the Israeli-Egyptian treaty possessed two fundamental characteristics necessary for success. First, through Sadat's secret negotiations, a fundamental agreement over the terms necessary for peace were reached prior to the Camp David Accords and the subsequent Israeli-Egyptian peace treaty.

Second, in the Israeli-Egyptian case, the negotiating partners were considerably more equal in relative power. That is, both Egypt and Israel possessed something of considerable value to the other party. In essence this made both parties "term givers." Therefore, a balance of power peace occurred.

In both the Egyptian and Israeli cases, the alliance has proven beneficial. First, following the Camp David Accords each received increases in their economic and military aid packages. Israel received over \$3 billion in assistance. While Egypt received \$2 billion in military equipment and \$1.8 billion in economic aid.<sup>72</sup> Second, the

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<sup>71</sup> Bickerton and Klausner, pp. 200-202. For additional discussions on Camp David and its aftermath see Quandt, pp. 255-331.

<sup>72</sup> Ibid., p. 200.

alliance between Israel and Egypt also strengthened US ties with these two parties.<sup>73</sup>

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<sup>73</sup> Ibid.



#### IV. THE JORDANIAN CASE

##### A. INTRODUCTION

The very foundation of Hashemite-Israeli relations date back to the end of WWI. These foundations are crucial because, despite the volatility of the region, they have allowed constant dialogue to continue regardless of the circumstances.<sup>74</sup>

Following the 1967 War, Hussein embarked on a series of secret level negotiations, with an eye toward achieving a solution to the long-standing dispute. These negotiations were held despite the fact that Hussein opposed nearly all the Israeli policies regarding the occupied territories.

The purpose of this chapter is to examine this relationship in an effort to demonstrate why the Israeli-Jordanian treaty came to fruition. Here again I argue, like the Egyptian case, that the major terms necessary to achieve a lasting peace were agreed upon – and understood by both sides – well in advance of the actual, formal negotiations. Additionally, throughout their relationship both Jordan and Israel possessed something of considerable value to the other player. Hence, both were in the role of what I have repeatedly referred to in the previous chapters, as the "term giver."

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<sup>74</sup> Yehuda Lukacs, *Israel, Jordan, and the Peace Process* (Syracuse, NY: Syracuse University Press, 1997), p. 2.

## **B. BACKGROUND**

As previously noted, following the Six-Day War, the Hashemite monarchy commenced secret level negotiations with Israel in London. The major items discussed during these meetings revolved around issues of Israeli withdrawal from those areas conquered during the 1967 War and direct negotiations. Until this point, these two particular issues were not even open for discussion with Israeli negotiators.

However, Jordan believed that in order to achieve a lasting settlement, Israel would have to withdraw from those territories conquered during the Six-Day War. Additionally, Jordan believed that only through direct negotiations could the real terms necessary for a successful agreement be addressed and a final solution achieved.<sup>75</sup>

While Jordan was attempting to resolve the conflict through secret channels, the Jarring Commission was attempting to resolve the conflict through more public negotiations based on UN resolution 242. The commission's attempts to solve the conflict in this manner hindered the efforts of Hussein, who by this point was gaining progress in his secret level talks. In part this was due to the fact that all the parties interpreted the resolution itself in a variety of ways. These conflicting interpretations eventually stalled the peace process and consequently the

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<sup>75</sup> Ibid., p. 99.

1968 secret talks between the Israeli and Jordanian governments.

From 1970 to 1971, the stalemate along the Jarring front continued despite the efforts of the commission to restore the discussions. However, although not readily apparent to the public eye, discussions between Israeli and Jordanian officials recommenced.

During this round of talks discussion centered on the issue of Israeli withdrawal from the "al-Safi area located inside Jordanian territory." Hussein, in exchange for this withdrawal promised that highly active Jordanian guerilla activity would cease.<sup>76</sup> After many days of negotiations the Israeli government agreed and evacuated the military from the region in question per Hussein's request.

This particular negotiating forum which both the Israeli and Jordanian officials practiced, regardless of the events in the region, was crucial for future talks. That is, both parties accepted the secret channel method, devoid of outside interference, as a viable means to resolve their disputes. Referring to the aforementioned talks, Lukacs notes:

The incident, although insignificant in itself, demonstrated the emerging dynamics of the Israeli-Jordanian relations. Publicly, Jordan presented the Israeli withdrawal as a result of fierce fighting between the two armies, but the reality was quite different.<sup>77</sup>

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<sup>76</sup> Ibid., p. 107.

<sup>77</sup> Ibid., p. 108.

Equally important here is the fact that during the course of the negotiations, it became clear that both parties possessed something the other desired. Hence, both filled the role of, what I have called in earlier chapters, the "term giver."

Following the 1973 Yom Kippur War, three separate disengagement agreements were signed between Israel, Syria and Egypt. Jordan's involvement in these negotiations, prior to the signing phase, proved crucial to latter negotiations. In essence their participation allowed the monarchy to better outline the terms required for a lasting peace. That is, Jordan through its participation was now able to adjust, if desired, its proposals so that real agreements based on substance could be reached prior to the final status negotiations.<sup>78</sup>

### **1. Post Election Period**

On August 29, 1974, Hussein, in an effort to further the peace process, departed for his first encounter with the newly elected Israeli Prime Minister Yitzhak Rabin.<sup>79</sup> Rabin presented Hussein with the following possibilities.

First, there would be immediate negotiations toward a comprehensive settlement. Both sides agreed, however, that such negotiations involved formidable complications that made this option

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<sup>78</sup> Ibid., p. 127.

<sup>79</sup> Ibid., p. 133.

unrealistic at this time. Second was the idea of reaching an understanding on the principles of a comprehensive settlement and then implementing it in stages. The third possibility was to execute a functional separation of forces (no Israeli military withdrawal) or functional arrangements on the West Bank.<sup>80</sup>

Hussein, on the other hand, desired to focus this particular meeting on the issue(s) of disengagement and Israeli withdrawal. However, Rabin was unwilling to address this issue at that time. As a result of this deadlock, Hussein rejected all the additional Israeli proposals and the talks ended.

In May 1977, another round of Israeli elections brought the Likud government into power. Israeli officials (namely Prime Minister Begin and his Foreign Minister Moshe Dayan) were immediately at odds with Jordan over issues regarding the West Bank. For Begin, Israeli interests were best served by extending Israeli sovereignty over the region and then using it as a bargaining chip in their negotiations with Egypt.<sup>81</sup>

On August 22, 1977, Hussein and Dayan met for what would be their last meeting, to discuss the current affairs. Again, Hussein insisted on complete Israeli withdrawal to the "pre-1967 lines including East Jerusalem." Dayan, instead of addressing this issue, proposed that the two countries divide the West Bank and

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<sup>80</sup> Ibid., pp. 133-134.

<sup>81</sup> Ibid., p. 153.

continue with discussions from that standpoint. In part, Dayan's refusal to address the larger issues was based on a preconceived notion that any alliance with Jordan, at this point, could conceivably jeopardize ongoing talks with Egypt. As one would expect, Hussein rejected Dayan's proposal, and the talks concluded.<sup>82</sup>

## **2. The Post Israeli-Egyptian Period**

Since the signing of the Israeli-Egyptian peace accord in 1979, numerous initiatives were set into motion by both Israel and other Middle Eastern policy makers to further the peace process.

Late in 1982, Hussein traveled to Washington to discuss his position with the Reagan administration. Upon his arrival, Hussein was presented with the "Reagan Plan." Essentially, this plan called for a joint PLO-Jordanian delegation to be formed for upcoming negotiations. If Jordan accepted these terms, Reagan in turn promised additional economic and military aid to the monarchy.<sup>83</sup>

Hussein agreed to consider the offer, but still felt compelled to seek Palestinian support regarding this matter.<sup>84</sup> In part, the need for such support was driven by the fact that a majority of the Jordanian population is Palestinian. Until this point, Jordan's stance regarding the Palestinian question had prevented the monarchy from

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<sup>82</sup> Ibid., p. 153.

<sup>83</sup> Quandt, p. 347.

<sup>84</sup> Ibid.

securing a peace with Israel. Regarding this issue, Quandt notes:

Talks between Jordan and the PLO took place over the next several months. Finally, in April 1983 the King concluded that there was no basis for developing a joint negotiating position with the PLO.<sup>85</sup>

In September 1984, another round of Israeli elections brought Shimon Peres into office as the new Israeli Prime Minister. Unlike those who preceded him, Peres believed (now that the Israeli-Egyptian treaty was concluded) that the highest priority was to secure a lasting peace with Jordan. Based on this belief, Peres launched yet another round of secret negotiations between Israeli and Jordanian officials which resulted in three separate meetings occurring from October 1985 to July 1986.<sup>86</sup>

These particular rounds were designed so that the terms required to convene an international peace conference could be discussed. Additionally, both the Israeli and Jordanian representatives agreed to the following preliminary measures. First, the previously closed Cairo-Amman Bank would reopen. Second, both agreed to facilitate a Jordanian development plan which called for a massive infusion of over \$1.2 billion into the economic, social, and educational projects in the West Bank and Gaza region.

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<sup>85</sup> Ibid.

<sup>86</sup> Lukacs, pp. 165-166.

Finally both agreed to the appointment of West Bank mayors which would replace the Israeli military officials currently filling those positions.<sup>87</sup>

### **C. THE LONDON AGREEMENT**

Eventually, the aforementioned meetings culminated in the April 11, 1987, meeting in London between Hussein and Peres. At this meeting the decision was made to convene an international conference.

After days of debate, the two agreed to convene an international peace conference. Hussein agreed to Peres' position that the conference should include separate direct negotiations between Israel and the Arab states. Furthermore, the conference itself would be depowered. That is, the conference would not have veto power over any agreement unless the parties involved agreed to such a veto. Additionally, the Palestinian delegation would be represented by a single Jordanian Palestinian delegation. Peres also gave Hussein a list of energy projects which he proposed the two countries should implement together as a show of good faith. After this agreement was concluded, the real test was how to get Yitzhak Shamir, now the Israeli Prime Minister, to agree to it.<sup>88</sup>

Despite the efforts of Peres, Shamir rejected the suggested deal, embarrassing both Peres and Hussein.

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<sup>87</sup> Ibid., pp. 171-175.

<sup>88</sup> Ibid.



However, the fact that a deal was even struck at all, showed a basic agreement between the Labor party and the Hashemite monarchy over what the terms of a peace agreement must entail. This deal had informally been made long before negotiations actually began in 1993.

This notion is crucial, because it parallels the Egyptian case in that the deal was made informally before final status negotiations took place – and contrasts sharply with the Oslo process, where the terms necessary for peace were not agreed upon in advance of the final status negotiations.

#### **D. MOVING FORWARD**

Again, as a result of the opposition by Shamir, the peace process between Israel and Jordan stalled. As previously discussed, attitudes changed toward the peace process in the wake of the collapse of the Soviet Union, the Intifada, and the Gulf War.

During the Gulf War, US officials desiring a final solution to the Arab-Israeli conflict, began to rethink their previous efforts and attempted to formulate a new approach.<sup>89</sup> It was believed that militant opposition that previously opposed a peaceful solution with Israel would become disheartened (when the US defeated Iraq) and would realize that efforts towards a military solution would prove fruitless. Additionally, the war itself produced a

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<sup>89</sup> Quandt, p. 396.

spirit of cooperation not previously observed in the Middle East. It was conceivable that this spirit of cooperation could be capitalized upon and possibly provide a solution to the Arab-Israeli conflict.<sup>90</sup>

In 1991, Secretary of State James Baker traveled to the Middle East to get the peace process up and running. His agenda seemed relatively simple, and he made his motives very clear to everyone concerned. This particular trip "proved to be the first of eight such trips in 1991."<sup>91</sup>

Crucial here is that each of Baker's trips, though not always successful, brought out new issues and allowed the dialogue between leaders to continue. Many in Washington feared that if the process stalled again, the administration would lose political support for its endeavors to end the conflict. This loss of support would, in turn, result in the administration's forced resignation from the process.

Now that many of the issues were in the open, the next step was to get all the parties to the table. President Bush began to contact the leaders directly. This, coupled with the numerous visits by Baker, finally convinced the parties to meet for discussion at the Madrid Conference.

Prior to this conference, as the previous chapters discuss, Jordan had been involved in the negotiations. However, due to their position regarding the Palestinian

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<sup>90</sup> Ibid., p. 397.

<sup>91</sup> Ibid., p. 399.

question, Hussein was seemingly never able to subscribe to a lasting settlement. Despite, this setback, Hussein's participation enabled his terms to be heard and debated.

#### **E. THE MADRID CONFERENCE**

The US and the Soviet Union acted as mediators for the Madrid Conference. The formal proceedings brought Israeli, Syrian, Lebanese, and joint Jordanian-Palestinian delegations together for both multilateral and bilateral talks. The format for the Madrid Conference was designed from the model provided by the Camp David Accords of 1978 and the London agreement of 1987.<sup>92</sup> The main purpose of the Madrid talks was to resolve "the conditions for the signing of peace treaties, the boundaries of Israel, the disposition of the occupied territories and the future of the Palestinians."<sup>93</sup>

The Madrid talks were designed to allow the parties to reach interim agreements, with the hope that more permanent settlements would follow. This, as I argue, is the reason successful settlements have, for the most part, been limited in the Middle East. Today, despite this seemingly obvious conclusion, the Madrid Conference remains the model of choice for policy makers in dealing with this conflict. Each member of the delegation was encouraged to open

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<sup>92</sup> Bickerton and Klausner, pp. 257-258.

<sup>93</sup> Ibid., p. 258.

discussions and "engage in a few days of face-to-face talks."<sup>94</sup>

During the Madrid Conference, the Jordanian delegation spent the majority of its time addressing items particular to their own interests with Israel. As one author notes, these issues ranged anywhere from water rights to tourism issues. That is, the span was somewhat endless.<sup>95</sup> What is important, for the purposes of this thesis, is that the finite details of what final status should resemble were being conveyed between the Israeli and Jordanian parties.

Despite the negotiating teams' efforts, the Madrid Conference failed to produce a lasting peace. One reason for the failure was that several problems had begun to reemerge in the Middle East region. The first of these problems occurred in June 1992, when, in Israel's general elections, the Labor party under Yitzhak Rabin narrowly defeated the Likud party and was placed in power. Rabin brought to the office the notion that the old standards of negotiating a peace settlement were allowing many Israeli strategic concerns to remain open and unresolved. Rabin pledged "that he would cease all nonstrategic settlement activity and would move quickly on Palestinian autonomy."<sup>96</sup> However, rhetoric regarding the process soon fell on the

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<sup>94</sup> Quandt., p. 404.

<sup>95</sup> Lukacs, p. 189. The author notes that issues regarding border disputes, water-management, maritime rights, tourism, refugees and aviation were all discussed between Israeli and Jordanian officials.

<sup>96</sup> Bickerton and Klausner, p. 259.

deaf ears of the PLO, which saw his actions as "Window Dressing."<sup>97</sup>

The second problem was that, although talks resumed by October 1992, several small attacks by various opposition groups along the Lebanese borders and the growth in popularity of the Intifada forced the Israeli government to tighten its security controls. These measures resulted in massive closures throughout the occupied territories. As mentioned in Chapter II, closures, loss of remittances, and loss of economic aid as a result of the Gulf War devastated the Palestinian economy, as well as the PLO's financial stability. These events combined to exacerbate the feelings of mistrust in the Middle East.

Additionally, for all practical purposes the details required to secure a lasting peace were not present. Unlike the Egyptian-Israeli negotiations, the Madrid conference was seemingly convened before all the pertinent issues were discussed. The terms required for this particular agreement were not laid out in advance of the final status negotiations.

### **1. The Madrid Aftermath**

Israel and the Palestinians, following months of intensive secret negotiations in Oslo, were able to formulate self-government arrangements for the Palestinians in the West Bank and the Gaza Strip. The signing of this

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<sup>97</sup> Ibid.

interim agreement led to an exchange of letters between PLO Chairman Yasser Arafat and Prime Minister Yitzhak Rabin. In these letters, the PLO renounced the use of terrorism, pledged to remove the article within their covenant, which denies Israel's right to exist, and committed itself to a peaceful resolution of the conflicts between them. In September 1993, Israel and the PLO signed the Declaration of Principles on Interim Self-Government.

Following the Oslo Accords of September 1993, Israel and Jordan agreed to resume their own negotiations and formally end the war between their governments. Meanwhile, the Palestinian Authority began to take control in the Gaza region.<sup>98</sup> Despite this maneuver on the part of the Palestinian Authority, the peace process between Israel and Jordan blossomed. King Hussein, faced with an economy crippled by the previous wars, desperately desired to reopen discussions with Israeli leaders.<sup>99</sup>

Due to King Hussein's support of Saddam Hussein during the Gulf War, the U.S. decided to cut military aid to the Jordanian government, further exacerbating its economic instability. As a result, Hussein came under considerable pressure from opposition groups, creating the sort of internal instability that could threaten his regime.

Hussein eventually wrote President Clinton and expressed his deepest desires to resume the stalled peace

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<sup>98</sup> Bickerton and Klausner, p. 280-285.

<sup>99</sup> Ibid., p. 285.

process. He further expressed his concerns over the massive debt his government owed to various nations.<sup>100</sup>

President Clinton, believing that the King truly desired peace, resumed military aid to the Jordanian government.

In July 1994, Israeli and Jordanian representatives met to discuss the terms required to achieve a lasting peace. As Bickerton and Klausner note:

These unprecedented meeting paved the way for a ceremony on July 25 on the White House Lawn, where Prime Minister Rabin and King Hussein officially declared an end to the state of War that had existed between Israel and Jordan for forty-six years.<sup>101</sup>

Eventually, despite the rocky road to peace, on October 26, 1994, Israel and Jordan came together to sign a formal peace treaty. In the "thirty articles and five annexes,"<sup>102</sup> the issues that had been discussed during the Madrid Conference were finally laid to rest by Israel and Jordan. In an effort to describe what the treaty means for both Israel and Jordan, Yehuda Lukacs writes that "[f]inally with the signing of the Israeli-Jordanian Treaty of Peace, it is possible that the relationship, unlike the Israeli-Egyptian peace, will not be cold."<sup>103</sup> He goes on to state that the treaty will enable cultural ties and

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<sup>100</sup> Lukacs, p. 191. The author notes that "the King was concerned about Jordan's foreign debt of more than \$6.5 billion, of which it owed \$700 million to the United States."

<sup>101</sup> Bickerton and Klausner, p. 286.

<sup>102</sup> Lukacs, p. 194.

<sup>103</sup> Ibid., p. 198.

cooperation between the two nations to be strengthened. That is, both will presumably benefit from such a treaty.

#### **F. A BALANCE OF POWER PEACE**

Until this point I have discussed the details leading to the various treaties and negotiations in the Middle East. By proceeding in this manner, several similarities and differences may be noted which provide a plausible explanation as to when successful negotiations come to fruition and when they fail.

In the Jordanian case, when compared to the Oslo case, it is clear that Oslo lacked two fundamental characteristics necessary for success. First, in the Oslo case, there was no fundamental agreement between Israel and the PLO on what the negotiations will produce or where they are headed. Thus, the two sides tend to be negotiating toward two very different goals. As both the Israeli-Egyptian and Israeli-Jordanian cases demonstrate, without such broad agreements on the end-game, negotiations are bound to fail.

Second, in the Jordanian case, the negotiating partners (namely Israel and Jordan) were considerably more equal in relative power. That is, each of the parties possessed something of considerable interest to their opponent. Therefore, all the parties were able to fill the role of the "term giver." By contrast, Oslo is an agreement between unequals. This imbalance of power



created a "hegemonic peace," further undermining the chances for a stable peace.



## **V. OVERALL ASSESSMENT AND CONCLUSIONS**

Thus far, this thesis has discussed various historical aspects of the Middle East Peace Process to show when and why negotiations have been successful and when and why they have failed. In the cases of both the Israeli-Egyptian and Israeli-Jordanian treaties, successful negotiations did occur, and the result has been, for the time being, a lasting peace. The result in the Oslo case, though, was quite the opposite.

The purpose of this chapter is to conceptualize and clarify these phenomena by reiterating the similarities and differences between the Egyptian, Jordanian and Palestinian accords and treaties with Israel.

### **A. EGYPTIAN-JORDANIAN SIMILARITIES**

As previously noted, to understand the reasons for success and failure of the Egyptian, Jordanian and Palestinian treaties with Israel, one has to understand the difference between a balance of power peace and hegemonic peace.

The balance of power peace versus hegemonic peace theory conceptualizes two powers negotiating for a common goal - a lasting peace between their factions. If one party is considerably more powerful than the other and if the theory is correct, a hegemonic peace will occur.

However, if both parties possess relatively equal power, then a balance of power peace is more likely to develop.

Again, power, in this case, is not necessarily limited to military strength, but that is important. It is more precisely defined by the ability of the players to offer something of considerable interest to their opponent. That is, two parties who possess relatively equal power will both be considered "term givers." However, if one party is relatively more powerful than the other, it will be the "term giver," while the other will be the term receiver. This is dangerous because it will allow the stronger power to drive the negotiations without concession. The cases examined in this work demonstrate that hegemonic peace initiatives are inherently more destabilizing than balance of power peace initiatives.

The issue to be examined now is how the aforementioned concept panned out in the Arab-Israeli negotiating process. To understand this, one must look at the similarities and differences between the players involved and how they dealt with the situation. It is clear that the Egyptian and Jordanian treaties succeeded for three reasons.

First, both negotiating partners (i.e., Egypt and Jordan) faced the possibility of regime instability due to their respective internal situations. In both countries, factions within society launched heavy opposition against those in power because of their apparent inability to stimulate economic growth. Investment from abroad was

limited, mainly because of the instability in the region. It is fruitless to speculate about what might have occurred if the regime instability had blossomed. However, at a minimum, it is possible that the result would have been even further civil unrest. This unrest, fueled by the fact there was no positive change to the economy, could have even toppled the regime.

The second reason for success is that, in both the Egyptian and Jordanian cases the big issues of the final outcome were discussed and understood well in advance of the actual negotiations. By proceeding in this fashion, the interim style of negotiating was bypassed altogether, and the final-status-oriented style of negotiating was adopted in its place. This way of negotiating allowed all the players to know, without confusion, what was required for a lasting peace. Additionally, all the parties had a voice in the matter and could bring their interests to the discussions as required.

And finally, in both the Egyptian and Jordanian cases, the leadership, despite internal pressures, sought to open the markets. In theory, open markets would have enabled more international investment opportunities to find their way into the economies of these countries. In addition, by opening the markets and vigorously seeking a more comprehensive settlement, both Egypt and Jordan were sure to gain additional international support. This support, in

turn, would strengthen their respective regimes and conceivably allow the internal problems to settle.

Both Egypt and Jordan saw that peace would foster the economic and social transformations they sought. It would stimulate the economy and, by doing so, strengthen their leaders' regimes. In effect peace becomes a necessary byproduct of the domestic situations in both Egypt and Jordan.

As for negotiating status, both Egypt and Jordan were for the most part, power equals with Israel. This gave them room to maneuver during the negotiations. Neither felt compelled to accept Israel's terms for both had something to offer Israel for its concessions. Because Egypt and Jordan were both term givers with Israel, a balance of power peace resulted.

#### **B. THE "SO WHAT?"**

The question of why this analysis and its conclusions are meaningful goes back to the initial discussion of balance of power peace versus hegemonic peace. In the case of Israel and the PLO, there seemed to exist a hegemonic peace, which, this thesis has argued, is inherently more destabilizing because both sides' domestic policies are, in the end, unable to achieve their groups' interests. This kind of peace, if the theory is sound, would result in one side gaining the advantage over the other in regards to the terms of the treaty. As a result, displeasure with the

terms of the agreement will overrun the benefits of the agreement. This displeasure is likely to grow until, eventually, a conflict may well occur. In such a case, presumably both sides become the "losers."

Egypt's and Jordan's respective treaties with Israel resulted in a balance of power peace, which appears to be more stabilizing because both sides' domestic politics can absorb the peace and actually gain from it.

### **C. A BLEAK FUTURE**

To fully accept the hegemonic peace versus balance of power peace theory, one would need to conduct further studies in order to substantiate its central premise (namely that hegemonic peace is inherently unstable and treaties whose nature is hegemonic are bound to fail). However, if one accepts the theory as sound, then the implications for the Middle East Peace Process are very *bleak*.

If one accepts the theory, then it is almost *certain* that the conflict between Israel and the PLO is far from concluding for the following reasons: First, the PLO is unlikely, unless assisted over many years, to achieve a balance of power situation with Israel. Therefore, the PLO will continue to fill the role of the term taker and not the term giver. As the substantially weaker power, it will conceivably never possess something significant the other party requires.

Second, neither side appears willing to discuss *all* the issues, and both tend to table the more complicated discussion points, such as the status of Jerusalem, water rights, and the myriad of land issues still outstanding. Instead, both parties have opted to pursue a more interim style of negotiating and have all but completely bypassed final status discussions altogether.

Given this, it is unlikely, despite efforts by policy makers, that a lasting Israeli-Palestinian peace will be achieved in the near future.



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